

~~SECRET~~*State talking points
for President's use in
South Korea*

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TALKING POINTS FOR FIRST MEETING WITH PRESIDENT CHUN

-- Appreciate your strong role in aftermath of KAL shootdown and your restraint following Rangoon attack. Will continue to cooperate with you in coping with those tragedies; our cooperation illustrates the strength of our relationship.

-- One of my main purposes here is to reaffirm continuing US commitment to security of Korea. Determined to maintain strong alliance.

-- Intend to keep US forces in Korea, and to continue to improve their combat capabilities. Need for troop presence is widely recognized in Congress and among American people.

-- (If raised.) Will make every effort to provide adequate security assistance. However, severe budgetary limitations likely to be with us for some time. Security assistance levels do not indicate degree of US commitment to Korean security. That commitment represented much more meaningfully by troop presence.

-- (If raised.) Aware of your concerns in area of third-country sales, and will work with you toward solutions. Hope you understand some of our concerns, including belief that weapons sales to Iran and Iraq could be destabilizing.

-- (If raised.) Continue to pursue global limitations in INF negotiations. Will not agree to outcome that shifts SS-20 threat from Europe to Asia.

-- Despite Soviet buildup, and their brutal approach typified by KAL attack, believe long term trends in Asia favorable. US-China relations proceeding smoothly.

-- No likelihood of dramatic progress in tension reduction, particularly in wake of North Korean attack in Rangoon. Moreover, determined to avoid steps that could undermine security posture.

-- Nonetheless, should explore possibilities for limited measures: how to encourage further Chinese contacts with your country; whether US gestures toward North are required at some point; additional ideas for reducing risks of incidents along DMZ.

-- Fully support your proposals for talks with North Korea. No change in US policy toward North Korea: will continue to refuse official discussions with North unless your government is a full participant.

-- Urge you to approach question of tension reduction with confidence, despite Rangoon. You will have our full support.

-- Appreciate your consideration of our proposal to establish a radio transmitter for broadcasts to the Soviet Union. Am convinced this facility will serve your basic interests as well as ours.

THE SECRETARY OF STATE
WASHINGTON

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MEMORANDUM FOR: THE PRESIDENT
From: George P. Shultz
Subject: Korea -- Your Meetings with President Chun

*State paper
prepared in
Secretary Shultz
to use
with President*

I. THE SETTING

Your visit to Korea will reinforce the credibility of our security commitment, and will permit us to review with President Chun possibilities for reducing tension on the peninsula, political developments in the South, and important economic concerns.

The visit comes against the backdrop of the KAL and Rangoon attacks, which engendered outrage and frustration in Korea. The latter incident in particular put pressure on the Korean Government to take "forceful action." The Koreans greatly appreciated US leadership and support in the wake of both incidents. Our close cooperation with the Koreans helped them to cope with the internal stresses caused by these events and further strengthened their confidence in the United States as a friend and ally.

Even prior to the twin tragedies, our ties with Korea had been exceptionally strong. Korean doubts about the reliability of the security commitment, which had been fanned by Carter Administration consideration of troop withdrawal, have been eased. While North Korean hostility is unrelenting, long-term trends favor the South and could eventually present opportunities for reducing tension. Korean politics are still characterized by profound distrust between the government and an opposition pressing for more rapid democratization, but there has been some progress and the situation is calm. Although US-Korean economic relations are generally good, we have serious concerns in the area of market access and investment climate. As its economic power has grown, Korea's international role and the reach of its diplomacy have followed suit.

Your visit will strengthen these positive trends in our relationship. The meetings with Chun are key; the troop visits and your National Assembly speech will have major symbolic importance.

ISSUES

1. Security: Our Commitment; Korean Concerns

While the Koreans have growing confidence in their own defense capabilities, they recognize--especially in the aftermath of the KAL and Rangoon incidents--that the American commitment is fundamental to their security. Confidence in that commitment is high, but doubts about its strength and durability persist. Thus, your visit to the

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forward areas and your reaffirmations of our steadfastness will be important. We will also want to reinforce the restraint Chun has displayed in the wake of the Rangoon provocation. The Koreans seek higher levels of security assistance and a more flexible US approach to the sale abroad of US-licensed military equipment made in Korea; discussions continue on both issues. The ROKG has followed with interest US-Soviet negotiations on INF, and has urged us to bear in mind Asian security concerns.

2. Prospects for Tension Reduction.

North Korea remains unwilling to consider any but its own proposals for a dialogue with the South, but longer-term trends--in particular South Korean's growing economic strength--may eventually erode Pyongyang's intransigence on tension-reducing measures. While the Rangoon bombing has drastically reduced any hope of short-term progress on this front, there may be possibilities for limited movement such as expanded contacts between the ROK and China (which could require further US gestures toward North Korea at an appropriate time). We want to encourage the ROKG to explore those possibilities with us.